



Legislative Fiscal Bureau

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TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: LFB Paper # 440

After LFB Paper # 440 on the retired senior volunteer program (RSVP) was distributed, staff at the federal Corporation for National and Community Services (CNS) notified this office that the actual required matching funds to the federal RSVP funds is different than what was presented in the paper. Federal law requires a local contribution equal to 10% in the first year of the grant, 20% in the second year, and 30% in any subsequent year. Under this reading of federal law, this office calculated the match requirement as 30% of the known federal funding to the RSVP projects. However, CNS staff indicate that the match requirement is determined by dividing the federal grant award amount by 70%, and then multiplying by 30% (or 80% and 20% respectfully, if the project has a 20% match requirement.) Therefore, alternatives 3 and 4 in LFB Paper #440 should be modified to correctly reflect the required federal matching amount and subsequent amount of GPR. The alternatives should read as follows:

3. Provide \$427,300 GPR in 2003-04 and \$436,200 GPR in 2004-05 for the RSVP projects, such that the current projects would receive either their current level of GPR funding or an amount equal to their federal match requirement, whichever is less.

<u>Alternative 3</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$863,500

4. Provide \$105,400 GPR in 2003-04 and \$136,500 GPR in 2004-05 for the RSVP projects, such that current projects would receive GPR funding only to supplement their local funding to meet their federal match requirement.

<u>Alternative 4</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$241,900

BL/bh